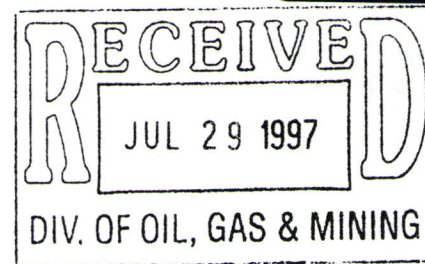


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Utah Building Stone Supply  
842 West 400 North  
West Bountiful, Utah 84087

Mary Ann Wright  
Associate Director of Mining  
Division of Oil, Gas, and Mining  
1594 West, North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801

July 28, 1997

Dear Ms. Wright,

Thank you for forwarding the surface road map which outlines those areas scheduled for reclamation in the Grouse Creek area of our operations. The map will prove an invaluable tool in our efforts to correctly, and expeditiously complete the work as directed.

At the receipt of your letter dated 6/24/97 we had hoped to be able to meet the deadline as established, or at the very least to have begun the task. However, as the deadline approached it became apparent to us that such would not be possible. We have had a great deal of difficulty in bringing in our legally approved alien work force. Finally, after two months we were able to procure three out of the eight men which we require to complete our work for the season. This has placed us desparately behind schedule in all aspects of our business this season.

We can assure you that being denied access to our legal claims and leases in the area, and the subsequent loss of present and future sales of area material, not to mention damage to our reputation in the marketplace, is more than adequate incentive to complete the required work as quickly as possible.

Our unforeseen labor problems have placed us precariously behind in our operations for the year, and we are afraid this includes the prescribed reclamation as mentioned above. We estimate that we are a full two months behind. This would be the earliest we can look to complete the work in the Grouse Creek area. We appreciate your consideration of our predicament, and would be happy to discuss it further by telephone or in person.

Sincerely,

*William L. Bourn*